

Message Text

SECRET

PAGE 01 STATE 174730
ORIGIN SS-15

INFO OCT-01 ISO-00 SSO-00 /016 R

66011

DRAFTED BY EUR/SE:HDCOLLUMS
APPROVED BY EUR:GSVEST
EUR/SE:RCEWING
S/S-O:MMCCALLIE

-----092678 112115Z /64

P R 112039Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY ANKARA PRIORITY
INFO AMEMBASSY MOSCOW

S E C R E T STATE 174730

EXDIS

FOL RPT BONN 12512 ACTION SECSTATE 8 JUL 78 QUOTE

S E C R E T BONN 12512

EXDIS

DEPARTMENT PASS WHITE HOUSE

E.O. 11652: XGDS
TAGS: PGOV PINT GW US
SUBJECT: MEETING BETWEEN SENATOR BYRD AND CHANCELLOR
SCHMIDT, JULY 5

SUMMARY: CHANCELLOR SCHMIDT RECEIVED SENATOR BYRD AND
AMBASSADOR FOR ONE AND ONE HALF HOURS EVENING JULY 5.
SCHMIDT WAS ACCOMPANIED BY RUHFUS. DURING MEETING THERE
WAS WIDE RANGING DISCUSSION COVERING NATO, MIDDLE EAST
AND AFRICAN DEVELOPMENTS, SOVIET SENSITIVITIES ON CHINA,
SECRET

SECRET

PAGE 02 STATE 174730

U.S. ENERGY PROGRAM, TURKISH EMBARGO, U.S. NON-
PROLIFERATION ACT, PROTECTIONISM AND GERMAN ECONOMIC
GROWTH. SCHMIDT WAS INTERESTED IN SENATOR'S COMMENTS
THAT CONGRESS WOULD FINISH WORK ON ENERGY BILL BY
OCTOBER IF NOT EARLIER, BUT QUESTIONED WHAT THIS MEANT
IN TERMS OF COMMITMENT THE PRESIDENT COULD GIVE AT
SUMMIT. HE STRESSED DIFFICULTIES OF HIS POLITICAL

SITUATION AND CONSTITUTIONAL LIMITATIONS ON ABILITY TO INCREASE FRG DEFICIT, SAYING HE PREPARED TO TAKE RISK BUT ONLY AS PART OF OVERALL PACKAGE. SCHMIDT FEARED THAT, IF PRESIDENT COULD NOT MAKE FIRM COMMITMENT ON ENERGY AT SUMMIT, THIS COULD MAKE "ABORTIVE SITUATION" POSSIBLE OR EVEN LIKELY. SCHMIDT AGREED ON IMPORTANCE OF PUSHING FOR MULTILATERAL TRADE AGREEMENT, BUT CAUTIONED THAT AMBASSADOR STRAUSS SHOULD NOT "OVER-DRAMATIZE" SITUATION BY PUTTING PUBLIC PRESSURE ON PARTICIPANTS. SCHMIDT'S COMMENTS ON U.S. NON-PROLIFERATION ACT WERE HAROLY CRITICAL, ALTHOUGH HE DID NOT THINK THIS WOULD BE AN ISSUE AT SUMMIT. HE REFERRED AT ONE POINT TO HIS CONCERN ABOUT SOVIET OVERFLIGHTS OF TURKEY. ALTHOUGH TIRED FROM AFRICAN TRIP AND SUBMERGED IN PREPARATIONS FOR BREMEN AND BONN SUMMITS, SCHMIDT SEEMED IN GOOD FORM AND WAS CHARACTERISTICALLY SHARP AND PENETRATING IN HIS COMMENTS. END SUMMARY.

1. SENATOR BYRD BEGAN BY SAYING THAT HE CAME TO BONN AS EMISSARY OF PRESIDENT AS WELL AS MAJORITY LEADER OF U.S. SENATE. PRESIDENT CARTER HAD ASKED HIM TO CONVEY HIS WARMEST RESPECTS TO THE CHANCELLOR AND TO SAY THAT ANY SUGGESTIONS FROM THE CHANCELLOR WITH REGARD TO THE FORTHCOMING SUMMIT IN BONN OR ANY OTHER MATTERS WOULD BE MOST WELCOME. THE SENATOR REFERRED SECRET

SECRET

PAGE 03 STATE 174730

TO CHANCELLOR'S PREPARATIONS FOR MEETING WITH SADAT AND SAID HE KNEW THAT PRESIDENT WOULD BE PLEASED TO CONSULT WITH HIM IN THIS REGARD AND TO GIVE HIM AN UPDATE ON U.S. ASSESSMENT OF MIDDLE EAST SITUATION. SENATOR ADDED THAT WE HOPE FOR FRG SUPPORT IN GETTING A

MIDDLE EAST NEGOTIATIONS BACK ON TRACK AND IN PROMOTING SUCCESS OF SADAT'S INITIATIVES.

2. SCHMIDT RESPONDED WITH APPRECIATION AND ASKED THAT THE SENATOR IN TURN CONVEY HIS WARMEST REGARDS TO PRESIDENT. FOR THE PRESENT, HE HAD NO PARTICULAR SUGGESTIONS TO OFFER, ALTHOUGH IT WAS POSSIBLE HE MIGHT HAVE SOMETHING TO PASS ALONG FOLLOWING CONCLUSION OF BREMEN EC SUMMIT. SO FAR AS CONTACT WITH SADAT WAS CONCERNED THE CHANCELLOR SAID THAT, WHILE THERE HAVE BEEN RUMORS ABOUT VISIT BY SADAT TO GERMANY, THERE HAS BEEN NO CONFIRMATION OF THIS AND HE CURRENTLY HAS NO PLANS TO MEET WITH SADAT.

3. SCHMIDT THEN DISCUSSED BRIEFLY HIS RECENT VISIT TO

NIGERIA AND ZAMBIA. HE HAD FOUND LEADERS IN BOTH COUNTRIES DEEPLY DISTURBED BY SOVIET ACTIVITIES IN AFRICA, ALTHOUGH THEY REFRAIN FROM EXPRESSING THIS CONCERN PUBLICLY. THEY SAY THAT THEY DO NOT WISH TO DESTROY OAU UNITY BY CRITICISM OF THE SOVIET UNION. HOWEVER, SCHMIDT DEDUCES THAT THEY ARE ALSO RELUCTANT BECAUSE THEY FEAR SOVIETS IN THE END MAY GET THE UPPER HAND IN AFRICA. SCHMIDT ALSO FELT ZAMBIANS WERE FEARFUL OF CRITICIZING CUBANS BECAUSE THEY EXPECT CUBAN FORCES PROBABLY WILL SOON BE ACTIVE NEXT DOOR IN RHODESIA WHEN CIVILWAR BREAKS OUT THERE.

4. SCHMIDT THOUGHT THESE FEELINGS OF CONCERN ABOUT SOVIET ACTIVITIES WERE UNDERSTOOD IN U.S. SENATE,
SECRET

SECRET

PAGE 04 STATE 174730

ALTHOUGH HE THOUGHT THAT THOSE SENATORS WHO OPPOSED A SALT AGREEMENT BECAUSE OF SOVIET ACTIONS ARE WRONG. HE ALSO COMMENTED THAT THERE IS SOME FEELING AMONG AFRICANS THAT U.S. POLICY REGARDING AFRICA IS NOT SUFFICIENTLY CLEAR.

5. SCHMIDT NEXT REFERRED TO HIS CONVERSATION JULY 4 WITH BULGARIAN FOREIGN MINISTER MLADENOV. MINISTER OBVIOUSLY HAD BEEN SENT BY SOVIET POLITBURO TO CARRY MESSAGE THAT SOVIETS ARE DEEPLY WORRIED BY CHINESE OVERTURES IN EUROPE AND REPORTS THAT U.S. ADMINISTRATION IS "PLAYING CHINESE CARD." SCHMIDT SAID HE TOLD MLADENOV THAT ANY HARDENING OF U.S. POLICY WAS ENTIRELY UNDERSTANDABLE IN VIEW OF WHAT SOVIETS WERE DOING IN AFRICA. THIS WAS DEEPLY WORRYING TO WEST AND REPRESENTED APPLICATION OF SELECTIVE DETENTE. SCHMIDT SAID HE HAD MADE SAME COMMENTS TO BREZHNEV IN BONN AND THAT BREZHNEV HAD MADE NO RESPONSE.

6. SCHMIDT TOLD MLADENOV THAT, IF SOVIETS ARE REALLY CONCERNED, AS THEY SEEM TO BE, ABOUT CHANGING U.S. ATTITUDE TOWARD SALT II, THEY SHOULD ASK THEMSELVES IF IT WOULD NOT BE WISE TO DEFINE THE LIMITATIONS AND THE METHODS OF THEIR ACTIVITIES IN AFRICA IN A MAJOR PUBLIC STATEMENT. CHANCELLOR SAID THAT MLADENOV HAD GONE ON AT LENGTH ABOUT SOVIET WORRIES CONCERNING CHINA, ALL OF WHICH DEMONSTRATES A VERY DEFENSIVE ATTITUDE BY SOVIETS. CHANCELLOR SAID THIS WAS SECOND OR THIRD TIME HE HAD HEARD THIS MESSAGE FROM SOVIET UNION AND HE FEELS THIS SHOWS SOVIET LEADERS ARE WORRIED AND DO NOT KNOW HOW TO READ SIGNALS FROM THE U.S.

SECRET

SECRET

PAGE 05 STATE 174730

7. SCHMIDT THEN SPOKE ABOUT ENERGY QUESTION, NOTING THAT HE WAS TALKING TO AN AMERICAN SENATOR AND NOT A REPRESENTATIVE OF THE ADMINISTRATION. SPEAKING FRANKLY, HE COULD NOT UNDERSTAND THE LOGIC OF THE CONGRESS CONCERNING THE ENERGY BILL. IT WAS CLEAR THAT IF THE U.S. DID NOT TAKE STEPS TO SHOW A REVERSAL OF THE TREND TOWARD INCREASING CONSUMPTION OF ENERGY THE U.S. WOULD BE HELD RESPONSIBLE FOR DEEPENING ECONOMIC DIFFICULTIES IN THE WORLD. THE LARGE U.S. TRADE DEFICIT IS DUE PRIMARILY TO OIL IMPORTS, AND THE WORLD CANNOT STAND SUCH DEFICITS FOR LONG. ALREADY, THERE ARE 500 BILLION EURO DOLLARS IN CIRCULATION AND AN ANNUAL ADDITION OF 45 OR 50 BILLION TO THIS AMOUNT IS SIMPLY UNACCEPTABLE. THIS CONTRIBUTES TO THE INSTABILITY OF CURRENCIES AND THE GENERAL UNPREDICTABILITY OF THE WORLD ECONOMY. SCHMIDT REFERRED TO THE RECENT VISIT TO BONN OF SAUDI ARABIAN CROWN PRINCE FAHD AND SAID THAT THE SAUDI ARABIANS IN PRIVATE CONVERSATION WERE CLEARLY CONCERNED ABOUT DEVELOPMENTS CONCERNING THE U.S. DOLLAR

8. THE CHANCELLOR SAID HE WISHED TO COMMENT ON THE U.S. NUCLEAR NON-PROLIFERATION ACT RECENTLY PASSED BY

CONGRESS. THIS IS AN ACT WHICH NO ONE CAN READ OR UNDERSTAND BUT ITS GENERAL THRUST SEEMS TO BE AGAINST THE DEVELOPMENT OF NUCLEAR INDUSTRY IN EUROPE. THE CHANCELLOR DESCRIBED THE LACK OF ENERGY RESOURCES IN MOST EUROPEAN COUNTRIES AND STRESSED THE NEED OF THE EUROPEANS TO DEVELOP NUCLEAR ENERGY IF THEY WISHED TO SUBSIST WITHOUT DEPENDENCE ON MIDDLE EASTERN OIL. THERE WAS ALSO A FEAR, HE SAID, THAT, IF BEGIN CONTINUES HIS INTRANSIGENT POLICIES, A WAR COULD BREAK OUT IN THE MIDDLE EAST IN WHICH IT WAS CERTAIN THAT OIL WOULD BE

SECRET

SECRET

PAGE 06 STATE 174730

USED AS A WEAPON. THE UNITED STATES COULD DEAL WITH A CUTOFF OF OIL FROM THE MIDDLE EAST, BUT IT WOULD REPRESENT SHEER DISASTER FOR EUROPE. TO CUT DOWN SUCH DEPENDENCE, EUROPE NEEDS ITS NUCLEAR PLANTS AND ALL THAT GOES WITH THEM. SCHMIDT SAID IT IS DIFFICULT ENOUGH IN EUROPE TO COMBAT THE ENVIRONMENTALISTS WITHOUT ALSO HAVING TO FIGHT THE U.S. CONGRESS. THE

CHANCELLOR SAID HE UNDERSTOOD AND SYMPATHIZED FULLY WITH THE NON-PROLIFERATION AIMS OF PRESIDENT CARTER, BUT THE DEVELOPMENT OF NUCLEAR ENERGY IS A STRATEGIC QUESTION FOR EUROPE WHICH IS OF ENORMOUS IMPORTANCE. HE SAID THAT ONE HAS THE IMPRESSION THAT THE U.S. (NOT REPEAT NOT INCLUDING THE PRESIDENT) SIMPLY DOES NOT CARE ABOUT EUROPEAN VIEWS. LATER IN THE CONVERSATION, THE CHANCELLOR REVERTED TO THIS SUBJECT, SAYING THAT ANOTHER ELEMENT IN PUBLIC ATTITUDES IN THE FRG TOWARD THE NON-PROLIFERATION ACT WAS THAT THIS SOMEHOW HAD TO DO WITH COMMERCIAL COMPETITION AND A DESIRE BY THE U.S. TO GAIN ADVANTAGE. THIS IS CLEARLY UNTRUE, HOWEVER, AND PEOPLE WHO SAY THIS SORT OF THING ARE MISLED. THE CHANCELLOR DID NOT FEEL THAT THE NON-PROLIFERATION ACT WOULD BE A MAJOR ISSUE AT THE BONN SUMMIT, ALTHOUGH HE CLEARLY ATTACHED IMPORTANCE TO IT AS A CONTINUING MATTER OF CONCERN.

9. ON THE TURKISH EMBARGO, SCHMIDT SAID HE COULD UNDERSTAND THE ORIGINAL MOTIVATION OF THE SENATE BUT HE WONDERED IF THE SENATE COMPREHENDED THE POLITICAL EFFECT THE EMBARGO HAS HAD IN THE EASTERN MEDITERRANEAN. HE THOUGHT THE SENATE SHOULD EVALUATE WHETHER THE PROBLEM SHOULD BE SEEN ONLY IN TERMS OF GREEK-TURKISH RELATIONS OR IN TERMS OF OVERRIDING ASPECTS OF THE STRATEGIC SITUATION. THE CHANCELLOR SAID HE WAS UN-SECRET

SECRET

PAGE 07 STATE 174730

EASY ABOUT THE OVERTURES OF THE SOVIETS TOWARD TURKEY AND VICE VERSA. ALSO, THE EFFECTIVENESS OF THE TURKISH MILITARY HAS BEEN GREATLY REDUCED DUE TO A LACK OF SPARE PARTS AND THERE IS A GROWING BITTERNESS IN TURKEY TOWARD THE UNITED STATES AND NATO AS A WHOLE. ON ITS SIDE, THE FRG HAS CONTINUED MILITARY AID TO BOTH GREECE AND TURKEY AND HAS URGED LEADERS OF BOTH COUNTRIES TO COMPROMISE THEIR DISPUTES. IT COULD BE SAID THAT BOTH ARE RESPONSIBLE FOR THEIR INABILITY TO GET TOGETHER. THERE IS BLAME ON BOTH SIDES, BUT THERE IS NO REASON WHY TURKEY SHOULD BE SEEN AS THE VILLAIN OF THE PIECE AND GREECE AS THE INNOCENT PARTY.

10. SENATOR BYRD SAID HE WOULD RESPOND TO THE CHANCELLOR'S REMARKS IN HIS CAPACITY AS MAJORITY LEADER OF THE SENATE. WITH REGARD TO THE SALT TREATY, THE SENATOR AGREED WE SHOULD NOT LINK THE ACTIONS OF THE SOVIET UNION AND CUBA IN AFRICA WITH A SALT AGREEMENT. A GOOD AGREEMENT IS NEEDED, BUT A BAD AGREEMENT WOULD BE WORSE THAN NO AGREEMENT. THE SENATE WILL LOOK AT THE FINE PRINT OF THE SALT II AGREEMENT TO BE SURE IT RESPONDS TO THE INTEREST OF THE UNITED STATES

AND ITS ALLIES. WHILE NOT WISHING TO LINK THE TREATY WITH SOVIET ACTIONS, THE SENATOR SAID IT IS VERY DIFFICULT TO SEPARATE THESE MATTERS IN THE PUBLIC MIND, AND HE NOTED WE HAD HAD A SIMILAR EXPERIENCE WITH REGARD TO ECONOMIC ASSISTANCE TO KOREA.

11. ON THE ENERGY PROGRAM, THE SENATOR SAID HE UNDERSTOOD THE CHANCELLOR'S CONCERNS. THE U.S. HAS BEEN PROFLIGAE IN ITS CONSUMPTION OF ENERGY AND IT IS CLEAR THAT ACTION MUST BE TAKEN. A WRONG IMPRESSION HAS BEEN CREATED BY THE MEDIA THAT THE SENATE HAS DISTORTED AND BLOCKED THE PRESIDENT'S ENERGY BILL, BUT THIS IS NOT TRUE. THE SENATOR REVIEWED THE ACTIONS TAKEN IN THE HOUSE AND THE SENATE, NOTING THAT THE HOUSE-
SECRET

SECRET

PAGE 08 STATE 174730

SENATE CONFEREES NOW AGREE ON FOUR ELEMENTS OF AN ENERGY PACKAGE. THE SENATOR SAID THAT BEFORE THE CONGRESS ADJOURNS IN OCTOBER A BILL WILL BE SUBMITTED TO THE PRESIDENT: HE WAS CONFIDENT IT WOULD CONTAIN THE FOUR ELEMENTS ALREADY AGREED AND HE WAS CAUTIOUSLY

OPTIMISTIC THAT THERE WOULD BE AGREEMENT ON THE FIFTH ELEMENT, I.E., THE CRUDE OIL EQUALIZATION TAX.

12. THE SENATOR THEN DESCRIBED THE SITUATION IN THE CONGRESS CONCERNING LIFTING OF THE TURKISH EMBARGO, SAYING THAT THE PROSPECTS FOR SUCH ACTION ARE FAIRLY GOOD IN THE SENATE BUT THAT THE SITUATION IN THE HOUSE IS MORE DIFFICULT. HE THOUGHT THERE WAS A SOMEWHAT BETTER THAN 50-50 CHANCE THE HOUSE WOULD APPROVE LIFTING THE EMBARGO. THE SENATOR STRESSED THAT HE WOULD CONVEY TO THE PRESIDENT AND TO CONGRESSIONAL LEADERS THE VIEWS OF THE CHANCELLOR AND OF OTHER NATO MEMBERS ABOUT THESE MATTERS.

13. SCHMIDT REVERTED TO THE ENERGY QUESTION, ASKING WHAT PRESIDENT CARTER WOULD BE ABLE TO SAY AT THE SUMMIT IF THE ENERGY BILL CAN ONLY BE SUBMITTED TO HIM IN OCTOBER. IF THE PRESIDENT CANNOT GIVE ASSURANCES ON U.S. ACTION ON ENERGY, HOW CAN AN OVERALL PACKAGE BE PUT TOGETHER AT THE SUMMIT? IF FOR EXAMPLE, THE PRESIDENT CAN ONLY SAY THAT ACTION WILL BE TAKEN ON ENERGY IN OCTOBER, THEN OTHER PARTICIPANTS MIGHT SAY THAT THEIR DECISIONS ON TRADE MATTERS OR ECONOMIC STIMULATION WOULD ONLY BE MADE IN OCTOBER. THE CHANCELLOR COMMENTED THAT HE WAS DISAPPOINTED TO HEAR WHAT SENATOR BYRD HAD SAID AND THAT T HE HAD HOPED FOR
SECRET

SECRET

PAGE 09 STATE 174730

MORE.

14. THE SENATOR SAID THAT THE CONGRESS WILL TAKE ACTION BEFORE THE OCTOBER AJOURNMENT DATE. SENATOR BYRD EMPHASIZED THAT OCTOBER WAS THE ULTIMATE DATE -- THE DATE OF ADJOURNMENT. IT WAS VERY LIKELY THAT PORTIONS OF THE PACKAGE WOULD BE ENACTED MUCH SOONER, PARTICULARLY IF THE HOUSE CONFEREES COULD AGREE TO SUBMIT ELEMENTS OF THE ENERGY PROGRAM SEPARATELY FOR A VOTE. THE CHANCELLOR SAID HE UNDERSTOOD, BUT THAT THIS REALLY DID NOT HELP THE SITUATION. HE HAS TO TAKE A DECISION ON HIS OWN ACTIONS BY NEXT SUNDAY AND VAGUE PROMISES ABOUT ACTION ON ENERGY SOME MONTHS AWAY ARE NOT SUFFICIENT. SCHMIDT SAID THE PRESIDENT WILL HAVE TO CONSIDER VERY CAREFULLY THE WORDING HE WILL USE ON ENERGY AT THE SUMMIT: OTHERWISE AN ABORTIVE SITUATION IS POSSIBLE AND EVEN LIKELY.

15. SENATOR BYRD MENTIONED THE NEED TO REACH AN AGREEMENT IN THE MULTILATERAL TRADE NEGOTIATIONS TO PREVENT SPIRALING OF PROTECTION-IST PRESSURES. HE NOTED HE HAD STRESSED THIS TO PRIME MINISTER CALLAGHAN. THE CHANCELLOR AGREED, BUT SAID HE HAD ONE WORD OF CAUTION. HE THOUGHT AMBASSADOR STRAUSS SHOULD NOT OVER-DRAMATIZE THE SITUATION BY PUTTING PUBLIC PRESSURES ON PARTICIPANTS BEFORE THE SUMMIT MEETING. MUCH COULD BE SAID IN A SMALL CIRCLE ON A PRIVATE BASIS, AND THE PRESIDENT COULD STRESS THERE THAT HIS PARTICIPATION IN A SUMMIT PACKAGE DEPENDS ON ACTION AGAINST PROTECTIONISM, BUT WE SHOULD NOT OVERPLAY OUR HAND IN PUBLIC.

16. SENATOR BYRD THEN REFERRED TO ACTIONS BEING TAKEN IN THE U.S. TO FIGHT INFLATION AND HE STRESSED THE FISCAL RESTRAINT OF THE U.S. CONGRESS. HE SAID IT WOULD ALSO BE HELPFUL IF OUR MAJOR PARTNERS COULD TAKE

SECRET

SECRET

PAGE 10 STATE 174730

ACTION TO STIMULATE THEIR ECONOMIC GROWTH. IN REPLY, THE CHANCELLOR DESCRIBED IN FAMILIAR TERMS THE ACTIONS TAKEN BY THE FRG SINCE THE LONDON SUMMIT TO INCREASE THE FEDERAL DEFICIT WHICH IS NOW ABOVE 4 1/2 OF GNP. WITH THIS IN MIND, THE CHANCELLOR WONDERS HOW THE U.S. COULD ASK THE FRG TO UNDERTAKE A GREATER DEFICIT. HE

NOTED THE CONSTITUTIONAL LIMITS AGAINST BORROWING IN EXCESS OF INCOME AND SAID THAT ONE STATE IN THE FRG IS ALREADY PREPARING A SUIT AGAINST THE FEDERAL GOVERNMENT IN THE CONSTITUTIONAL COURT ON THESE GROUNDS. THE CHANCELLOR SAID THAT HE CANNOT TAKE A RISK IN THIS AREA UNLESS AN OVERALL PACKAGE IS WORKED OUT WHICH IS NECESSARY IN THE INTERESTS OF THE INTERNATIONAL ECONOMY AND THEREFORE OF THE GERMAN ECONOMY. HOWEVER, IF HE CANNOT HAVE CONFIDENCE IN THE U.S. PARTICIPATION IN SUCH A PACKAGE, IT WILL NOT BE POSSIBLE TO DO THIS. THE CHANCELLOR ALSO DESCRIBED HIS SLIM PARLIAMENTARY MAJORITY AND EXPRESSED THE HOPE THAT THE U.S. WOULD UNDERSTAND THE LIMITS UNDER WHICH HE IS OPERATING AND THE PROBLEMS HE HAS IN MAKING A PACKAGE DEAL.

17. TOWARD THE END OF THE CONVERSATION, THE CHANCELLOR SAID HE WISHED TO REVERT TO THE TURKISH SITUATION AND SAID THAT HE HAS A SUSPICION THAT TURKISH AIR SPACE IS BEING VIOLATED SYSTEMATICALLY BY THE SOVIET UNION IN SENDING SUPPLIES BY AIR TO SYRIA, SOUTH YEMEN AND ETHIOPIA. HE THOUGHT THIS MAY HAVE SOMETHING TO DO WITH TURKISH ATTITUDES IN RESPONSE TO THE EMBARGO AS WELL AS TO A WEAKENING OF U.S. CAPACITY TO EXERCISE AIR SURVEILLANCE. THE CHANCELLOR SAID HE HAD NOT MENTIONED THIS AT THE NATO MEETING IN WASHINGTON BUT HE THOUGHT
SECRET

SECRET

PAGE 11 STATE 174730

IT SHOULD BE OF INTEREST TO THE UNITED STATES AND WAS A SERIOUS MATTER. THE SENATOR SAID HE WOULD REPORT THE CHANCELLOR'S REMARKS AND THAT THE QUESTION WOULD BE HANDLED VERY CAREFULLY.

18. IN CONNECTION WITH THE SENATOR'S REMARKS ABOUT U.S. EFFORTS AGAINST INFLATION, THE CHANCELLOR COMMENTED THAT, WHILE HE HAD REGRETTED THE RESIGNATION OF ARTHUR BURNS AS CHAIRMAN OF THE FEDERAL RESERVE BOARD, HE WISHED TO SAY THAT THE FRG HAS FULL CONFIDENCE IN THE NEW CHAIRMAN, WILLIAM MILLER, AND THAT THE FRG HAS BEEN ENCOURAGED BY ITS DIRECT CONTACTS WITH HIM.

19. AT SEVERAL POINTS DURING THE CONVERSATION, SENATOR BYRD STRESSED THE STEADFASTNESS OF U.S. SUPPORT FOR NATO, THE LTDP, AND THE RELIABILITY OF THE U.S. COMMITMENT TO BERLIN. HE ALSO UNDERLINED THE UNITY OF U.S. AND FRG VIEWS REGARDING THE SOVIET/WARSAW PACT BUILDUP. SCHMIDT RESPONDED WITH APPRECIATION TO THESE REMARKS, BUT SAID THEY DID NOT NEED TO BE REITERATED TO HIM, SINCE THERE COULD BE NO QUESTION IN HIS MIND OR ON THE PART OF GERMANS GENERALLY ABOUT THE FIRMNESS

OF U.S. SUPPORT.

20. THE SENATOR EXPRESSED HIS DEEP APPRECIATION TO THE CHANCELLOR FOR THE OPPORTUNITY TO HAVE SUCH A COMPREHENSIVE DISCUSSION WITH HIM AND SAID THAT THE CHANCELLOR'S COMMENTS ON ALL OF THE MATTERS REVIEWED WOULD BE VERY USEFUL TO HIM WHEN HE RETURNED TO WASHINGTON AND THAT HE WOULD CONVEY THE CHANCELLOR'S VIEWS TO THE PRESIDENT AND TO THE LEADERS OF THE CONGRESS.
STOESSEL

UNQUOTE CHRISTOPHER

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 jul 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE174730
Document Source: CORE
Document Unique ID: 00
Drafter: HDCOLLUMS
Enclosure: n/a
Executive Order: X1
Errors: N/A
Expiration:
Film Number: D780284-0309
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780773/aaaacjfh.tel
Line Count: 452
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f5834977-c288-dd11-92da-001cc4696bcc
Office: ORIGIN SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 9
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2047389
Secure: OPEN
Status: NATIVE
Subject: MEETING BETWEEN SENATOR BYRD AND CHANCELLOR SCHMIDT, JULY 5 SUMMARY: CHANCELLOR SCHMIDT RECEIVED SENATOR BYRD
TAGS: PGOV, PINT, GE, US, (SCHMIDT, HELMUT), (BYRD, ROBERT)
To: ANKARA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f5834977-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014